

WBR 1452.231-81 Equipment Ownership and Operating Expense.

As prescribed in WBR 1431.280(b), insert a clause substantially the same as follows unless an advance agreement for equipment usage costs has been entered into with the contractor:

**EQUIPMENT OWNERSHIP AND OPERATING
EXPENSE -- BUREAU OF RECLAMATION
(AUG 1996)**

(a) *Definitions.* "Acquisition cost," as used in this clause means, the Contractor's original purchase price (including sales tax less salvage value) of an item of equipment including any and all accessories and expendable components required for utilization the item of equipment. For used equipment which is reconditioned and recapitalized, "acquisition cost" shall mean the adjusted amount resulting from the recapitalized value of the equipment as determined from the Contractor's accounting records.

"Equipment," as used in this clause, means equipment in sound workable condition at the construction work site, either owned or controlled by the Contractor or its subcontractors at any tier, or obtained from a commercial rental source, and furnished for use under this contract.

"Ownership cost," as used in this clause, means allowances for construction equipment depreciation and cost of facilities capital.

"Operating cost," as used in this clause, means the cost of operating equipment such as operating crew labor, servicing labor and equipment, labor and parts for all repairs and maintenance, fuel, oil, grease, supplies, tire wear and repair.

"Small tools," as used in this clause, means equipment having a replacement value of less than \$1,000.

(b) *Policy.* (1) Equitable adjustments made in the price of this contract pursuant to the Changes, Differing Site Condition, Suspension of Work, or other clause of the contract, may include allowable ownership and operating costs for equipment. In accordance with FAR 31.105(d), allowable ownership and operating costs for each piece of equipment, or groups of similar serial or series equipment, shall be determined using actual cost data when such data are available from the Contractor's accounting records. When actual costs cannot be so determined or when actual cost data for a specific element of operating cost do not contain costs for individual pieces or types of equipment, the procedures in paragraph (d) of this clause shall be used to determine allowable costs (provided, in the case of operating costs, that the costs are reconciled to the Contractor's total cost for that operating element). For fully depreciated equipment, the procedures in paragraph (e) of this clause shall be used to determine allowable costs.

(c) *Required data.* In any request made for an equitable adjustment, the Contractor shall furnish to the Contracting Officer --

(1) A complete description of each item of equipment (including all accessory equipment attached thereto) to be used in connection with the work to be performed listing the date of manufacture, date of acquisition, make, model, size, capacity, mounting, and type of power;

(2) Evidence of the acquisition cost of new or used equipment to be used including all available current and historical supporting cost data. If evidence of acquisition cost is not provided by the Contractor or if the data provided are unacceptable to the Contracting Officer, the Contracting Officer may determine the acquisition cost by other appropriate means.

(d) *Use of the predetermined rate schedule.*

(1) When the Contracting Officer determines that allowable ownership and operating costs cannot be determined from the Contractor's accounting records, the U.S. Army Corps of Engineers pamphlet entitled "Construction Equip-ment Ownership and Operating Expense Schedule" (Schedule) for the State in which the construction site is located shall be used to calculate ownership and operating rates. Copies of the Schedules can be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

(2) For the purpose of determination of the hourly rates to be applied under this contract, working conditions shall be considered average, unless otherwise determined by the Contracting Officer.

(3) Rates for equipment not listed in the Schedule shall be calculated using the formulas in the Schedule. Alternatively, the Contracting Officer may determine to use rates in the Schedule for equipment comparable to the unlisted equipment, including horsepower and auxiliary features.

(e) *Fully depreciated equipment.* No depreciation or rental cost shall be allowed on equipment fully depreciated by the Contractor or by any division, subsidiary, parent company, or affiliate under common control. However, a reasonable rate for using fully depreciated equipment may be allowed by the Contracting Officer. Unless

otherwise determined by the Contracting Officer, such hourly rate shall not exceed a value computed by multiplying the depreciation rate for the equipment (as shown in the Schedule table entitled "Construction Equipment Ownership and Operating Expense") by the economic index for the year of equipment manufacture (as shown in the Schedule table entitled "Economic Indexes for Construction Equipment"), divided by the economic index correspondingly with the year the Schedule is published. The year used for the basis of the rates in the Schedule is indicated in the table entitled "Equipment Age Adjustment Factors for Ownership Costs." Idle or standby time will not be paid for fully depreciated equipment.

(f) *Idle or standby time.* Equipment ownership costs for idle or standby time of equipment not fully depreciated shall be determined as follows:

(1) The allowable rate shall be made at 50 percent of the hourly rate for ownership costs if actual cost data are used. The maximum hours per week allowed shall not exceed 40 hours or the amount of hours regularly worked by the Contractor, whichever is less. No allowance shall be made for Saturdays, Sundays, or holidays, when work is not actually performed.

(2) If actual cost data cannot be determined, the rate shall be computed in accordance with the Schedule.

(3) No costs shall be allowed for time when the equipment would have been otherwise idle or was not in good operating condition.

(4) Periods of time less than 2 hours on which equipment is down for normal and regular servicing and for minor field repair or field maintenance shall be considered by the Contractor to be operating time rather than idle or standby time and such periods shall not be deducted from use or operating time.

(5) No costs are allowable for fully depreciated equipment.

(g) *Rental.* Allowable costs for renting or leasing of equipment shall be determined in accordance with FAR 31.105(d)(2)(ii) and 31.205-36.

[End of clause]